



Department of Justice

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JUSTICE DEPARTMENT APPROVES APPAREL INDUSTRY PLAN FOR WORKPLACE CODE OF CONDUCT

WASHINGTON, DC -- The Department of Justice today announced that it would not challenge a proposal by the Apparel Industry Partnership (AIP) that would allow the group to establish a voluntary Workplace Code of Conduct and associated Monitoring Principles regarding “sweatshop” working conditions in apparel and footwear manufacturing.

The Department’s Antitrust Division said that the proposal would not lessen competition in the apparel or footwear industries. The Department’s position was stated in a Business Review Letter from Joel I. Klein, Assistant Attorney General in charge of the Department’s Antitrust Division to the AIP.

In issuing the letter, Klein noted that, “to the extent that a firm’s ability to advertise compliance with the Code provides useful purchasing information to a substantial number of consumers, the development of the Code and Monitoring Principles will serve the interests of consumers.”

The AIP’s proposal is a response to President Clinton’s invitation to industry members to develop a standard by which apparel and footwear manufactures could advertise that their products were manufactured under reasonable and humane working conditions. The group’s members consist of apparel and footwear manufacturers, labor unions, consumer groups, and human rights and religious organizations. Current members of the AIP include: Kathie Lee Gifford, Liz Claiborne Inc., Nicole Miller, L.L. Bean, Nike, Reebok, Phillips Van Heusen,

International Labor Rights Fund, Lawyers Committee for Human Rights, National Consumers League, Robert F. Kennedy Memorial Center for Human Rights and a number of universities. Adidas-Solomon A.G. and Levi Strauss & Co. also have indicated an interest in affiliating with the AIP.

According to their proposal, AIP has agreed to establish a Workplace Code of Conduct so that members that choose to do so will be able to assure consumers that their products will not be manufactured by means of forced or child labor and, that employees will not be subjected to physical or mental abuse, harassment or various types of discrimination. Employers that choose to comply with the Code will maintain “a safe and healthy working environment”, and will recognize and respect employees rights to freedom of association and collective bargaining. Such employers will also adhere to certain minimum standards with respect to wages and working hours. All adherents to the Code must also require their licensees and contractors and, in the case of retailers their suppliers, to abide by the Code or local law. No firm is required to adhere to the Code.

AIP has also developed a set of Monitoring Principles to assure consumers that firms who publically proclaim adherence to the Workplace Code of Conduct are in fact complying with those standards. Such firms must adopt internal monitoring procedures consistent with the AIP Principles of Monitoring and agree to employ an external monitor that will monitor the firm according to those Principles. Members of the AIP also have formed a nonprofit association,

called the Fair Labor Association (FLA), that will establish both the criteria for qualifying external monitors and the baseline monitoring practices to be used by such monitors.

The Workplace Code and the accompanying Monitoring Principles were developed in meetings attended by government officials with the understanding that the Code and Monitoring

Principles would be submitted to the Department of Justice for antitrust review prior to implementation.

AIP believes it is unlikely that widespread utilization of the Code would have any appreciable effect on the price or output of apparel and footwear products sold in the United States.

Under the Department's business review procedure, a person or organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the activity as a violation of federal antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group, Suite 215, Liberty Place, 325 7th Street, N.W., Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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